

1

FY	Gasoline	Special Fuels	Special Fuels	Total	ID Fuel Tax
1986	\$ 80,045,111	\$ 13,167,085		\$ 93,212,197	14.5
1987	\$ 83,166,880	\$ 13,946,361		\$ 97,113,241	14.5
1988	\$ 84,815,073	\$ 14,492,974		\$ 99,308,047	18.0
1989	\$ 77,445,979	\$ 19,877,164		\$ 97,323,143	18.0
1990	\$ 78,603,698	\$ 21,072,178		\$ 99,675,876	18.0
1991	\$ 80,059,770	\$ 22,163,600		\$ 102,223,370	21.0
1992	\$ 86,607,140	\$ 27,412,053		\$ 114,019,193	21.0
1993	\$ 100,261,708	\$ 30,146,872		\$ 130,408,580	21.0
1994	\$ 108,652,150	\$ 33,323,789		\$ 141,975,939	21.0
1995	\$ 108,701,517	\$ 34,383,275		\$ 143,084,792	21.0
1996	\$ 117,790,949	\$ 36,814,647		\$ 154,605,596	25.0
1997	\$ 136,376,071	\$ 53,683,180		\$ 190,059,251	25.0
1998	\$ 142,430,239	\$ 60,039,086		\$ 202,469,325	25.0
1999	\$ 150,954,512	\$ 62,341,679		\$ 213,296,191	25.0
2000	\$ 148,652,734	\$ 69,607,681		\$ 218,260,415	25.0
2001	\$ 142,852,734	\$ 64,042,570		\$ 206,895,304	25.0
2002	\$ 145,306,400	\$ 66,163,042		\$ 211,469,442	25.0
2003	\$ 146,008,705	\$ 66,474,975		\$ 212,483,680	25.0
2004	\$ 148,579,407	\$ 69,683,895		\$ 218,263,302	25.0
2005	\$ 148,691,300	\$ 61,295,993		\$ 210,000,000	25.0

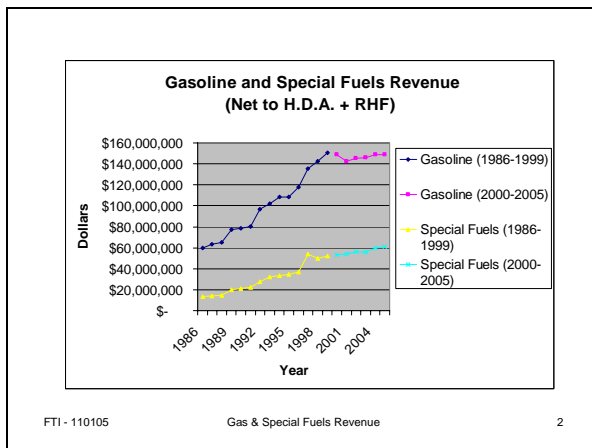
\$154,605,596

Varies from \$156,109,598 in ID Fuel Tax Adjusted as a Surrogate for Reduced FWHFA Delta chart due to reporting timing for accounting purposes. Not a significant factor for the purposes of this data presentation.

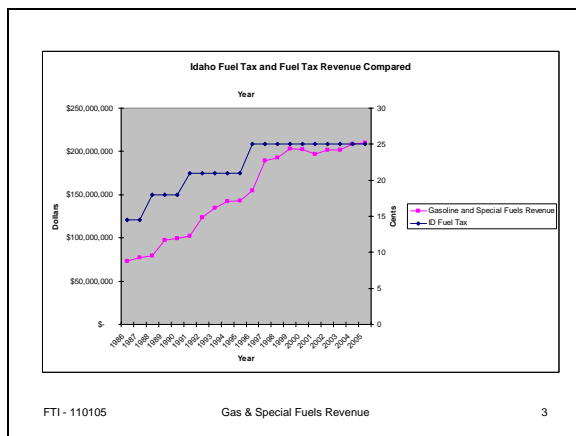
FTI - 110105 Gas & Special Fuels Revenue 1

Jim reviewed charts illustrating the gasoline and special fuels revenue and their net proceeds to the Highway Distribution Account for the period covering 1986 through 2005.

2



3



Slide 3 illustrates that the Idaho fuel tax per gallon compared to the fuel tax revenue received at first increased, but then during the past several years has leveled off. The projected shortfall in revenue for the transportation system is not contrived, but based on linear estimates that use historical models.

In 1976, the Idaho Legislature set the fuel tax rate at 8.5¢; in 1981 at 11.5¢; in 1982 at 12.5¢; in 1983 at 14.5¢; in 1988 at 18¢; in 1991 at 21¢; and in 1996 at the current 25¢ per gallon. The fuel tax rate was increased 3 times in 5 years, raising the rate from 14.5¢ to 21¢; however since 1996, the fuel tax rate has remained the same (25¢ per gallon). Over the last twenty years, the fuel tax rate has only increased 17¢.

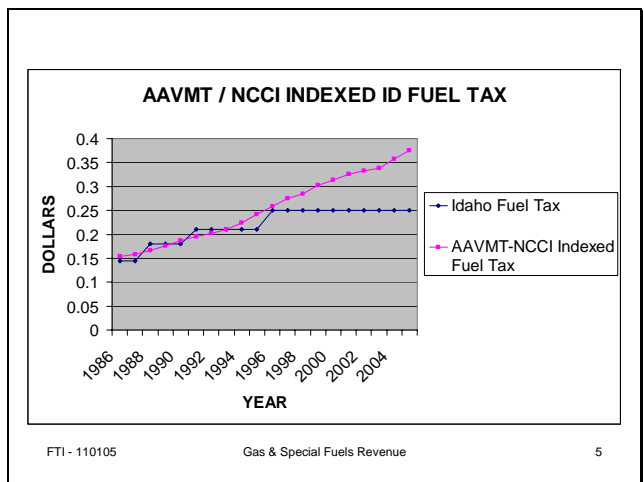
4

Year	AAVMT Fractional (3 Year)	NCCI	Ave. Growth (3 Year Basis)	Fractional Increase (3 Year)	Indexed ID Fuel Tax AAVMT + NCCI	Idaho Fuel Tax
1984		82.6				
1985		102.0				
1986		101.1	98.57	0.064	0.154	0.145
1987		100.0	101.03	0.091	0.158	0.145
1988	0.036	106.6	102.57	0.108	0.166	0.180
1989	0.077	107.7	104.77	0.131	0.175	0.180
1990	0.129	108.5	107.60	0.162	0.187	0.180
1991	0.181	107.5	107.90	0.165	0.195	0.210
1992	0.241	105.1	107.03	0.156	0.202	0.210
1993	0.299	108.3	106.97	0.155	0.211	0.210
1994	0.364	115.1	109.50	0.183	0.224	0.210
1995	0.427	121.9	115.10	0.243	0.242	0.210
1996	0.493	120.2	119.07	0.286	0.258	0.250
1997	0.552	130.6	124.23	0.342	0.275	0.250
1998	0.606	126.9	125.90	0.360	0.285	0.250
1999	0.663	136.5	131.33	0.418	0.302	0.250
2000	0.688	145.6	136.33	0.472	0.313	0.250
2001	0.715	144.8	142.30	0.537	0.326	0.250
2002	0.714	147.9	146.10	0.578	0.332	0.250
2003	0.741	149.8	147.50	0.593	0.338	0.250
2004	0.762	175.4	157.70	0.703	0.357	0.250
2005	0.795	175.4	166.87	0.802	0.376	0.250

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Why has there been no increase in the fuel tax rate during the past ten years? Several factors come into play. Federal revenue during these years has been very stable and sufficient to cover much of the capital improvements, but the SAFETEA-LU apportionment will increase at a much slower rate and by 2007-2009, federal revenue will decrease.

5



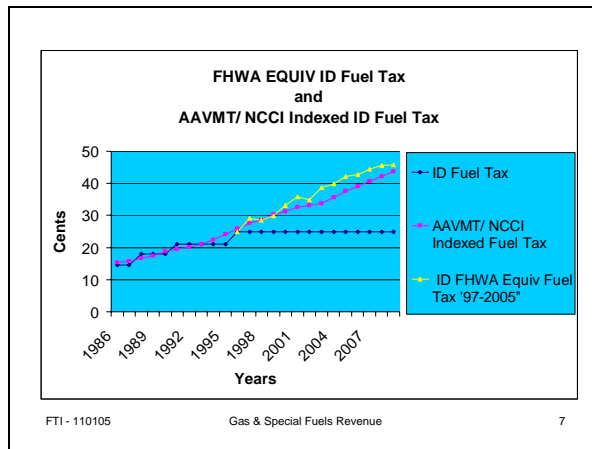
Jim compared the average annual vehicle miles traveled (AAVMT) and National Highway Construction Cost Index (NCCI) to estimate an indexed Idaho fuel tax. An indexed rate for the year 2000 indicates a tax at 31.3¢ per gallon and in 2005, a tax of 37.6¢. Jim noted that these estimates are probably conservative and even if fuel tax is indexed, the revenue generated from the increase will not totally fund projected capital improvement needs. Fuel tax is not the sole answer for funding Idaho's transportation system. The wants and needs of any transportation system are based on revenue generation. Idaho's transportation system faces a significant funding shortfall and major decisions about what is the best source of revenue generation are needed.

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Yr	ID Fuel Tax (cents)	\$ Collected 2010 FHWA + FHWA	\$M Collected per cent Tax	AAVMT/NCCI Indexed Fuel Tax (cents)	Revenue Equiv. to FHWA Delta	FHWA \$M to State	FHWA Delta 1994 base	ID Fuel Tax Equip.	ID Fuel Tax Adj.	1995 break point for chart purpose
1985	14.5	\$ 73,292,307	\$ 5.05	15.4	\$ 77,778					
1987	14.5	\$ 77,116,027	\$ 5.32	15.8	\$ 84,030					
1988	18.0	\$ 73,350,497	\$ 4.40	16.6	\$ 72,140					
1989	18.0	\$ 97,324,143	\$ 5.41	17.5	\$ 94,621					
1990	18.0	\$ 98,075,830	\$ 5.54	18.7	\$ 103,552					
1991	21.0	\$ 102,233,700	\$ 4.87	19.6	\$ 86,922					
1992	21.0	\$ 123,919,603	\$ 5.90	20.2	\$ 116,199					
1993	21.0	\$ 134,408,640	\$ 6.40	21.1	\$ 136,049					
1994	21.0	\$ 141,975,939	\$ 6.76	22.4	\$ 151,441	\$ 65,902				
1995	21.0	\$ 143,084,793	\$ 6.81	24.2	\$ 164,888	\$ 136,102	\$ 30,802	\$ 5,812	26.91	
1996	25.0	\$ 156,614,390	\$ 6.26	25.8	\$ 181,638	\$ 102,703	\$ 7,203	\$ 1,149	26.10	25.0
1997	25.0	\$ 169,061,251	\$ 7.56	27.5	\$ 207,967	\$ 127,203	\$ 31,703	\$ 4,192	28.10	28.10
1998	25.0	\$ 192,469,625	\$ 7.70	28.5	\$ 218,416	\$ 123,303	\$ 27,503	\$ 3,222	28.57	28.57
1999	25.0	\$ 203,246,191	\$ 8.13	30.2	\$ 246,521	\$ 130,203	\$ 59,703	\$ 4,883	29.89	29.89
2000	25.0	\$ 202,270,346	\$ 8.59	31.3	\$ 251,242	\$ 163,703	\$ 67,203	\$ 6,589	33.06	33.06
2001	25.0	\$ 197,028,342	\$ 7.88	32.6	\$ 252,035	\$ 185,303	\$ 85,003	\$ 10,785	37.50	37.50
2002	25.0	\$ 201,489,440	\$ 8.09	33.2	\$ 267,551	\$ 175,403	\$ 79,803	\$ 9,915	38.91	38.91
2003	25.0	\$ 201,482,980	\$ 8.09	33.8	\$ 272,435	\$ 205,003	\$ 110,103	\$ 13,851	38.68	38.68
2004	25.0	\$ 208,562,762	\$ 8.34	35.7	\$ 297,799	\$ 220,103	\$ 124,603	\$ 14,837	39.94	39.94
2005	25.0	\$ 210,286,931	\$ 8.40	37.6	\$ 310,088	\$ 238,103	\$ 140,603	\$ 17,223	42.12	42.12
2006	25.0		\$ 8.00	38.1		\$ 237,703	\$ 142,203	\$ 17,786	42.70	42.70
2007	25.0		\$ 8.00	40.6		\$ 250,714	\$ 155,243	\$ 18,454	44.41	44.41
2008	25.0		\$ 8.00	42.1		\$ 259,881	\$ 164,103	\$ 20,559	45.52	45.52
2009	25.0		\$ 8.00	43.6		\$ 262,171	\$ 169,603	\$ 23,569	46.82	46.82

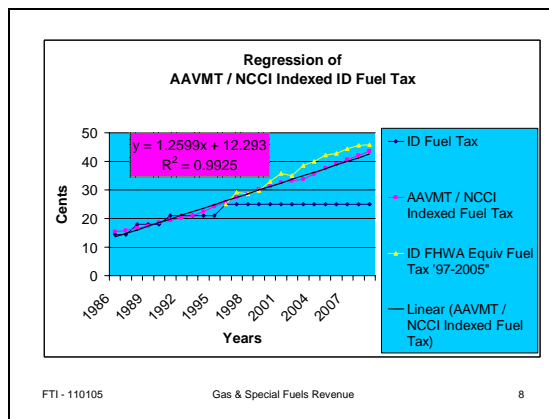
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By using a higher percentage of federal funds, other parts of the Idaho transportation system have suffered. Federal funds are formulated to address specific goals (interstate system, air quality, etc.). The reduction in state funds from the 25¢ fuel tax for the last ten years has reduced revenue for local highway jurisdictions. Some jurisdictions are facing major loss of revenue.

8



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